

103^D CONGRESS
1ST SESSION

S. 1154

To amend the Foreign Assistance Act of 1961 to provide for the establishment of a Microenterprise Development Fund, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 24 (legislative day, JUNE 22), 1993

Mr. DECONCINI introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

A BILL

To amend the Foreign Assistance Act of 1961 to provide for the establishment of a Microenterprise Development Fund, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. MICROENTERPRISE DEVELOPMENT.**

4 Chapter 2 of part I of the Foreign Assistance Act
5 of 1961 is amended by adding after title V the following:

6 “TITLE VI—MICROENTERPRISE DEVELOPMENT

7 **“SEC. 251. MICROENTERPRISE DEVELOPMENT.**

8 “(a) CENTRALLY-MANAGED FUND.—

9 “(1) ESTABLISHMENT AND MANAGEMENT.—

10 The administrator of the agency primarily respon-

1 sible for administering this part shall establish with-
2 in the agency a centrally-managed fund to be known
3 as the Microenterprise Development Fund (hereafter
4 in this section referred to as the ‘Fund’). The Fund
5 shall be managed by the office in that agency that
6 has primary responsibility for working with private
7 and voluntary organizations.

8 “(2) DISBURSEMENTS THROUGH THE FUND.—
9 All economic support fund assistance and develop-
10 ment assistance that are used to promote
11 microenterprise development shall be disbursed
12 through the Fund.

13 “(b) ACTIVITIES TO BE SUPPORTED.—The Fund
14 shall be used to support—

15 “(1) the institutional development of the enti-
16 ties described in subsection (c);

17 “(2) the provision of microenterprise credit
18 through the entities described in subsection (c); and

19 “(3) research on microenterprise development
20 and evaluation of microenterprise activities funded
21 under this section.

22 “(c) INTERMEDIARY ORGANIZATIONS.—Funds dis-
23 bursed through the Fund shall be primarily channeled
24 through—

1 “(1) United States and indigenous private and
2 voluntary organizations,

3 “(2) United States and indigenous credit union
4 organizations, and

5 “(3) other indigenous governmental and non-
6 governmental organizations,

7 that have demonstrated a capacity to develop sustainable
8 microenterprise service institutions.

9 “(d) ALLOCATION OF FUNDS.—

10 “(1) MICROENTERPRISE CREDIT.—(A) Of
11 amounts disbursed through the Fund each fiscal
12 year pursuant to subsection (b)(2), at least 50 per-
13 cent shall be used for poverty lending. As used in
14 this paragraph, the term ‘poverty lending’ means a
15 loan of \$300 or less or, in the case of an initial loan,
16 of \$150 or less.

17 “(B) The administrator of the agency primarily
18 responsible for administering this part shall seek to
19 ensure that not less than 60 percent of the borrow-
20 ers of funds disbursed through the Fund pursuant
21 to subsection (b)(2) are women.

22 “(2) RESEARCH AND EVALUATION.—Not more
23 than 5 percent of funds disbursed through the Fund
24 each fiscal year may be used for research and eval-
25 uation activities under subsection (b)(3).

1 “(e) ADDITIONAL SOURCES OF FINANCING.—Such
2 agency is authorized to facilitate negotiations between
3 such organizations and multilateral development banks so
4 that such organizations may obtain additional financing.

5 **“SEC. 252. DEFINITIONS.**

6 “For purposes of this title—

7 “(1) the term ‘development assistance’ means
8 assistance provided under chapter 1 or chapter 10 of
9 this part; and

10 “(2) the term ‘economic support fund assist-
11 ance’ means assistance provided under chapter 4 of
12 part II.”.

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